

BRIEFING NOTE TO THE MINISTER OF INFRASTRUCTURE AND COMMUNITIES

MEETING BETWEEN MINISTER MCKENNA AND CAROLE SAAB, EXECUTIVE DIRECTOR (POLICY & PUBLIC AFFAIRS), FEDERATION OF CANADIAN MUNICIPALITIES

(For Information)

PURPOSE

To provide you with information on Infrastructure Canada's relationship with the Federation of Canadian Municipalities (FCM) pertaining to municipal funding and capacity building programs.

SUMMARY

- INFC plays a key role in the oversight and delivery of three FCM programs: the Green Municipal Fund (GMF), the Capacity Building for Climate Change Challenges Program (CB3C); branded by FCM as the *Municipalities for Climate Innovation Program* or MCIP), and the Asset Management Fund (AMF; branded by FCM as the *Municipal Asset Management Program* or MAMP).
- While the GMF is a revolving fund and the MAMP was recently extended to March 2024, MCIP is expected to sunset FY 2020/21
- The department has been exploring ways to leverage its funding of FCM programs to achieve federal goals related to community resilience and adaptation to climate change.

CONTEXT AND KEY FACTS

Green Municipal Fund (GMF):

- In 2000, the FCM received grants from Environment and Climate Change Canada (ECCC) and Natural Resources Canada (NRCan) to create the Green Municipal Enabling Fund and the Green Municipal Investment Fund. In 2005, these funds were combined to form the GMF, with a total endowment of \$500 million. The terms and conditions for managing this endowment were set out in a funding agreement with ECCC and NRCan. The FCM received an

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additional grant of \$50 million in 2008, to be disbursed in accordance with the funding agreement, to support activities such as plans, studies, and tests.

- In Budget 2016, the Government of Canada provided an additional \$125 million to FCM, bringing the total GMF endowment to \$625 million. With this new funding agreement, INFC also became one of GMF's oversight departments, joining ECCC and NRCan.
- In Budget 2019, the Government of Canada provided an additional \$950 million to FCM for GMF to deliver funding and programming beyond its sub-sectors of energy, transportation, water, waste and land use and integrated planning, to increase energy efficiency in residential, commercial and multi-unit buildings.
- On March 31, 2020, FCM will launch the Community Efficiency Financing (CEF) initiative under GMF as part of its new funding commitments announced in Budget 2019.

Municipal Asset Management Program (MAMP):

- In Budget 2016, the Government of Canada provided \$50 million to FCM to strengthen the asset management capacity of municipalities and communities across Canada. Delivery of MAMP is enabled through a contribution agreement between INFC and FCM, with senior departmental staff participating on the program steering committee.
- The original funding amount of \$50 million announced in 2016 was supplemented with a further \$60 million through the 2019 federal budget. Infrastructure Canada is now providing a total of \$110 million in program funding and the program activities run from September 2016 to March 2024.
- MAMP is strengthening capacity through grants for municipalities (up to \$50,000), technical assistance (through implementing partners across the country), and by creating awareness and sharing knowledge about asset management practices.

- [REDACTED]

Municipalities for Climate Innovation Program (MCIP):

- In Budget 2016, the Government of Canada provided \$75 million to FCM to support Canadian municipalities and communities to reduce their greenhouse

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gas (GHG) emissions, adapt to climate change and integrate climate considerations into their asset management practices. Delivery of MCIP is enabled through a contribution agreement between INFC and FCM, with senior departmental staff participating on the program steering committee.

- MCIP is a five-year program that will support an estimated 600 to 700 municipalities in all provinces and territories to implement low carbon and climate resilient development, through a combination of direct funding, technical assistance, awareness raising, and knowledge mobilization activities.

- MCIP is expected to sunset FY 2020/21.

CONSIDERATIONS

- INFC's continuing role related to the oversight and delivery of FCM's programs was re-iterated in your Mandate Letter: *Work with the Federation of Canadian Municipalities through the Green Municipal Fund, the Municipalities for Climate Innovation Program and the Municipal Asset Management Program to build climate resilience, reduce greenhouse gas emissions, make better decisions, and monitor investments and ensure they reduce emissions from residential, commercial and multi-unit buildings.*

- [REDACTED]

NEXT STEPS

- Senior departmental staff will continue to have regular and on-going discussions with FCM senior staff on municipal priorities and the role INFC could play – including the on-going delivery of programs – to support recovery efforts at the community level.

Kelly Gillis
Deputy Minister
Infrastructure and Communities

Date